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Memorandum for: Mr. Richard Haass Department of State	102
Subject: West European Liberal Parties and Transnational Cooperation	
Attached, for your information, is a typescript memorandum on Liberal transnational groupings. Please let us know if we may be of further help.	
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Attachment	
16 June 1983 — Director, — —	
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Office of European Analysis	7

Identical note sent to all external recipients.

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Central Intelligence Agency



Washington, D. C. 20505

DIRECTORATE OF INTELLIGENCE

16 June 1983

West European Liberal Parties and Transnational Cooperation

Summary

Liberal parties with few exceptions are small, out of government, or play only a junior role, but most have tried to magnify their influence by joining together in two principal transnational organizations -- the Liberal International (LI) and the Federation of European Liberals and Democrats (ELD). Neither organization is as influential as the socialist or even Christian Democratic transnational groupings. The LI, which consists primarily of West European political parties and organizations, is essentially a debating forum for such issues as European integration, human rights, and North-South economic matters. While it is critical of US policy in Central America, the LI generally favors a close US-West European relationship and looks askance at Soviet behavior. The ELD--which is supposed to set policy for the Liberal group in the European Parliament -- has had limited success because of the diversity and parochialism of its member parties. The LI and ELD are likely to

This memorandum was prepare of European Analysis. It was reundersecretary for Political Aff	quested by Gerald Helman, De	fice 25X1 puty
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continue to be generally supportive of US policies, but their political influence in West European and world affairs will probably remain relatively inconsequential.

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The Liberal International

The London-based Liberal International (LI)--also known as the World Liberal Union--was founded in Oxford, England in 1947 and consists of political parties and organizations from 19 countries. The LI is mainly a European organization, although since the early 1970s it has emphasized establishing contacts with liberals in other parts of the world, particularly in the Western Hemisphere and Asia. With the help of the ruling Liberal Party of Canada, the LI recently began promoting a dialogue between liberal parties in Western Europe and prominent liberals in the United States.

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The LI has had less of a political impact than the Socialist International or even the various Christian Democratic groupings. This owes partly to the fact that it is more heterogeneous and more loosely organized than the other two. In our judgment, however, it is mainly due to the decline of liberalism as a political force, at least in Western Europe where many principles that liberals have espoused are now the law and no longer evoke controversy or enthusiasm. Except for the ruling Canadian Liberal Party, LI members generally are minor forces in their national political contexts and presumably do not have the financial means to mount a stronger transnational effort. Moreover, the West German Free Democratic Party, which has played a pivotal role in national politics, did not join the LI until 1975,* while the French Republican Party still has not sought membership. Despite the organization's limitations as a policymaking forum, influential liberal leaders--such as Italian senator Giovanni Malagodi, EC Commission President Gaston Thorn, and West German Free Democratic Party leader Hans-Dietrich Genscher--are active in the organization and enhance its prestige.

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Although the LI has generally found it difficult to agree on a comprehensive political program, it does take positions on several international issues at its annual congresses. The organization strongly supports European unity, for instance,

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^{*} The Friedrich Naumann Foundation, which is associated with the Free Democrats, plays a major role in financing liberal causes and projects in Third World countries, but this is done independently of the LI.

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despite some disagreement among members about the desired level of integration. Liberal parties and organizations in the Benelux	
countries are more in favor of transferring national powers to	•
supranational institutions than those in Denmark, Italy, West	
Germany, and Britain. The LI also favors EC enlargement in the	
hope that membership in the Community will reinforce democracy in	
mobe that membership in the community will reinforce democracy is	Ĺ
Greece, Spain, and Portugal.	
On East-West relations, the LT in its resolutions has urged	

On East-West relations, the LI in its resolutions has urged Western countries to uphold the human rights provisions of the Helsinki Final Act. While it advocates disarmament negotiations, the LI has stated repeatedly in its published declarations that balanced military strength is a prerequisite for detente. In Brussels in 1981, Liberal leaders declared that the West must strengthen its defense capabilities to counter the steady expansion of Soviet military power. At the LI congress in Vienna last April, Genscher reaffirmed Bonn's commitment to deploy INF missiles if negotiations in Geneva fail.

In the Third World, the LI concentrates on issues of political and civil rights and on economic development. Italian Senator Malagodi--the organization's president--two months ago called for a meeting of the LI, the Christian Democratic International (CDI), and the Socialist International (SI) to discuss plans for building and strengthening democratic systems in Latin America.

doubtful, however, that such a motley group would be able to agree on much more than the broad outlines of an approach toward the region.

While the LI generally is favorably disposed toward the United States, it has criticized recent US policies in Central America. Urs Schoettli—the organization's secretary general—has stated in a forthcoming book and in public addresses that US policies are endangering democratic advances in Latin America. He has argued, moreover, that the social unrest in many Latin American countries results from severe income disparities and economic underdevelopment, as well as East—West tensions and Communist subversion. Schoettli maintains that Nicaragua, for instance, needs Western development aid to resist Cuban and Soviet influence. In his opinion, economic collapse in Nicaragua would reduce the chances for political pluralism and accelerate the transformation of the Sandinista regime into a Soviet puppet.

The belief that economic deprivation is a main cause of social upheaval in the Third World has prompted the LI to call for a New International Economic Order. The organization's

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secretary general has suggested in his many public statements that growing global interdependence requires a restructuring of the world's financial and trade systems to keep the problems of the poor nations from spreading to the industrialized states. While the LI advocates a more just distribution of global wealth in its resolutions, it also admonishes the developing countries to increase their own resources through population control, elimination of corruption, and government efficiency.

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The LI maintains that freedom of trade is a precondition for stable liberal democracy and economic development. Liberals warn that protectionist measures by industrialized nations will have disastrous consequences both for developing countries and for economically advanced states. Members of the LI, however, have had difficulty reaching a consensus on economic planning. At the LI Congress in Ottawa in 1979, some participants argued that government planning and coordination may benefit national and international markets, while others maintained that an expanded role of the state in the private sector produces destabilizing monopolies and oligopolies.

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The Federation of European Liberals and Democrats

The EC members' decision to hold direct elections to the European Parliament made liberal leaders realize that the LI, because of its loose structure and world-wide focus, was not an appropriate organization for influencing Community policies and elections. Thus, to coordinate policies better, a grouping of liberal parties in Community countries founded the Federation of European Liberals and Democrats (ELD) in 1976.

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The main problem in building the ELD, whose president is Willy De Clercq of Luxembourg, has been the heterogeneity of Liberal viewpoints in the Community. Liberal ideology ranges from left-liberal (the British Liberal Party favors a substantial government role in the economy) to strongly conservative-liberal (the Italian Liberal Party and the French Republican Party take a dim view of state intervention). The difficulty of reaching a consensus is reflected in the ELD's Electoral Program for the European Parliament and its current political manifesto, which are replete with platitudes about pluralism, a European union, economic growth, and equal opportunity for all.

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In theory, the ELD makes policy recommendations to the Liberal and Democratic Group in the European Parliament. In practice, according to several scholarly studies, the ELD merely receives reports on the parliamentary group's activities. There are several reasons for the Federation's failure to establish itself as the coordinating body for the liberal parties in the Parliament:

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- The Liberal and Democratic Group controls the ELD's finances.*
- -- The range of ideological viewpoints in the parliamentary group is just as great as in the ELD.
- The parties still tend to think in national parochial terms.

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Outlook

The LI and the ELD in our judgment are likely to continue to play a marginal role even in Western Europe. Except for the British Liberals, who are experiencing a resurgence, it is unlikely that domestic political realignments will make liberal parties any stronger than they are now. Ideological diversity and parochialism, moreover, will continue to hamper cooperation. Liberal parties are likely to agree more easily on human rights policy than on economic policy, particularly the issue of state economic planning.

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Liberal transnational organizations probably will continue to be pro-United States and strongly support the Atlantic Alliance. In the security area, they are likely to emphasize military balance between East and West, but also call for arms reductions on both sides. Liberal groupings probably will continue to criticize US policy in Central America and express some support for the revolutionary regime in Nicaragua. They are also likely to continue to urge the industrialized nations to further economic development in the Third World through expanded foreign assistance programs, easier credit terms, and special trade arrangements.

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^{*} The ELD is normally financed from two sources: member parties' contributions paid in accordance with the size of their contingent at annual congresses as well as contributions from the Liberal and Democratic Group in the European Parliament. In theory, national parties are supposed to receive from the ELD at least as much as they contribute, but we doubt that this takes place in practice.

Countries With Liberal Parties, Groups, or Individuals Represented in the Liberal International

Liberal Political Parties or Groups

Austria Belgium Denmark Finland France West Germany Italy Luxembourg Netherlands Norway Spain Sweden Switzerland UK Canada Hong Kong India Israel Sri Lanka

<u>Individual Delegates</u>

South Africa Zambia Chile Mexico Panama U.S.A. Japan New Zealand Portugal

Members of the ELD

Belgium:

Partij voor Vrijheid en Vooruitgang (PVV)

Parti des Reformes et de la Liberte (PRL)

Denmark:

Venstre (V)

France:

Parti Republicain (PR)

Parti Radical Socialiste (PRS)

Italy:

Partito Repubblicano Italiano (PRI)

Partito Liberale Italiano (PLI)

Luxembourg:

Parti Democratique (PD)

Netherlands:

Volkspartij voor Vrijheid en Democratie (VVD)

United Kingdom:

Liberal Party (LIB)

EC:

Liberal Youth Movement of EC (LYMEC)

